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Date: 12 July 2023

Dear Councillor,

Finance and Management Committee

A Meeting of the **Finance and Management Committee** will be held at **Council Chamber (Special)**, Civic Offices, Civic Way, Swadlincote, DE11 0AH on **Thursday, 20 July 2023 at 18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Labour Group**

Councillor R Pearson (Chair), Councillor L Singh (Vice-Chair)
Councillors S Harrison, M Mulgrew, G Rhind, B Stuart, S Taylor and N Tilley.

Conservative Group

Councillors D Corbin, M Fitzpatrick, M Ford and S Meghani

Liberal Democrats

Councillor G Andrew



AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To note any declarations of interest arising from any items on the Agenda
- 3** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 4** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 5** Reports of Overview and Scrutiny Committee.

- 6** TREASURY MANAGEMENT ANNUAL REPORT 2022-23 **4 - 26**

- 7** FINAL REVENUE BUDGET OUT-TURN 2022-23 **27 - 52**

- 8** FINAL CAPITAL OUTTURN 2022- 23 **53 - 64**

- 9** COMMITTEE WORK PROGRAMME **65 - 69**

Exclusion of the Public and Press:

- 10** The Chair may therefore move:-
That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.
- 11** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.

12 GRADE OF POST – LEGAL & DEMOCRATIC SERVICES MANAGER
(DEPUTY MONITORING OFFICER)

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 6
DATE OF MEETING:	20 JULY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: S:\Finance\COMMITTEE\2022-23\July\TM
SUBJECT:	TREASURY MANAGEMENT ANNUAL REPORT 2022/23	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 The Treasury Management Annual Report for 2022/23 (**Appendix 1**) is approved.
- 1.2 The Prudential Indicators and Limits for 2022/23 to 2027/28 (**Appendix 2**) as approved in February 2023 are noted.
- 1.3 The updated counterparty (lending) list as at 31st March 2023 (**Appendix 3**) is approved.

2.0 Purpose of the Report

- 2.1 To detail the Council's Treasury Management activities for 2022/23 as set out in the Annual Report.
- 2.2 In addition, the report also confirms the Prudential Indicators for treasury operations for 22/23 and the medium-term financial planning period, 2022/23 to 2027/28. This is in accordance with the requirements of the Local Government Act 2003, updated for provisions contained in the Localism Act 2011.

3.0 Summary

The Prudential System for Capital Finance

- 3.1 The Council is required to manage its treasury and capital expenditure activities under a National Code. The main aims of the National Prudential System are to ensure that: Page 4 of 69

- Capital investment plans of local authorities are affordable and sustainable.
- Treasury management decisions are taken in accordance with best professional practice.
- Financial planning and asset management are integrated into the Council's overall corporate planning arrangements.

3.2 Treasury operations are measured within a set of prudential indicators. The main purpose of these indicators is to provide the limits and benchmarks to control the level of capital expenditure, borrowing and investment. The Council is expected to operate comfortably within these limits.

3.3 The Prudential System allows councils the freedom to borrow on a prudential basis. Any new borrowing has to be accommodated within any maximum debt limits or caps set by Central Government and the Council has to demonstrate that it can afford to service and repay the debt within its financial plans.

3.4 The Chartered Institute of Public Finance (CIPFA) published new versions of its Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes (TM Code) and The Prudential Code for Capital Finance in Local Authorities (Prudential Code) in late December 2017. This applied from April 2018 and will inform the strategy for 2019/20 onwards.

The Treasury Management Strategy

3.5 The Strategy aims to provide transparency for treasury decisions including the use of counterparties, together with assessing how risk is managed on a day-to-day basis.

Prudential Indicators

3.6 The relevant indicators required under the regulations are detailed in the statement.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

5.1 None directly

6.0 Community Implications

6.1 None directly

7.0 Background Papers

7.1 Treasury Management in Public Services and the Code of Practice (CIPFA Publication – November 2011)

7.2 Local Government Act 2003 (Part 1)

7.3 Localism Act 2011 – Part 7 Chapter 3



**South
Derbyshire
District Council**

Treasury Management Annual Report 22/23

Introduction

The Authority has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

The Authority's treasury management strategy for 2022/23 was approved at a meeting of the Authority on 23rd February 2022. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

The 2021 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 23rd February 2022.

The detail that follows is in accordance with the CIPFA Code and is written with support from the Council's Treasury Advisor, Arlingclose.

External Context

Economic background: The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in

December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting. From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

Financial markets: Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

Credit review: Early in the period, Moody's affirmed the long-term rating of Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.

In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive. In September S&P revised the outlook on the Greater London Authority to stable from negative and Fitch revised the outlook on HSBC to stable from negative.

The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.

Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review. Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree caution is merited with certain authorities.

Local Context

On 31st March 2023, the Authority had net investments of £18,422m arising from its revenue and capital income and expenditure a decrease on net investments from 2022 of £2.076m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in the table below.

Capital Financing Requirement (CFR)	22/23
	£'000 Actual
CFR b/fwd	55,993
Add New Financing	0
Less MRP	-175
Less VRP	-20
Less Debt Repayment	0
CFR c/fwd	55,798
General Fund Proportion	4,214
HRA Proportion	51,584
Total CFR	55,798

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31st March 2023 and the year on year change is shown in the table below

Treasury management position

	31.3.22 Balance £m	Movement £m	31.03.23 Balance £m	Average Rate %
Long-term borrowing:				
Fixed	47,423	0	47,423	3.19
Variable	0	0	0	0
Short-term borrowing	89	0	89	0
Total borrowing	47,512	0	47,512	
Long-term investments	4,000	0	4,000	3.90
Short-term investments	60,000	(2,000)	58,000	3.43
Cash and cash equivalents	4,010	(76)	3,934	1.35
Total investments	68,010	(2,076)	65,934	
Net investments	20,498	(2,076)	18,422	

The net investments of the Council decreased during 2022/23 due to a decrease in investments. Government grants received from the Government to help protect households for rising energy costs have now been distributed to taxpayers, and therefore no longer form part of the Council's investment portfolio.

Borrowing Update

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Authority was not planning to borrow to invest primarily for commercial return and so is unaffected by the changes to the Prudential Code.

Borrowing Strategy

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The cost of both long and short-term borrowing rose dramatically over the year, with rates at the end of March around 2% - 4% higher than those at the beginning of April. Rate rises have been driven primarily by inflation and the need for central banks to control this by raising interest rates. Particularly dramatic rises were seen in September after Liz Truss' 'mini-budget' included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies: over a twenty-four-hour period some PWLB rates increased to 6%. Rates have now fallen from September peaks but remain volatile and well above recent historical norms. The PWLB 10 year maturity certainty rate stood at 4.33% at 31st March 2023, 20 years at 4.70% and 30 years at 4.66%.

A new HRA PWLB rate of gilt yield plus 0.4% (0.4% below the currently available certainty rate) was announced on 15th March 2023. This discounted rate is to support local authorities borrowing for Housing Revenue Accounts and the delivery of social housing and is expected to be available from June 2023, initially for a period of one year.

At 31st March 2023 the Authority held £47.4m of loans, a similar position to 31st March 2022, as part of its strategy for funding previous years' capital programmes.

These loans were taken out by the Authority in 2011/12 for the purpose of HRA self-financing. The principal element of these loans is repayable in full on maturity, with interest being paid each March and September.

The short-term borrowing of £89k relates to deposits received from two Parish Councils within the District. These loans can be recalled on immediate notice. Interest is calculated at the Bank of England Base Rate, less 1%, with interest being paid each March and September.

The following table shows the maturity dates of the loans and rate of interest payable.

Borrowing Position

Loan Profile	Type	Value £'000	Rate %	Maturity
Public Works Loan Board	Fixed	10,000	2.70	2023/24
Public Works Loan Board	Fixed	10,000	3.01	2026/27
Public Works Loan Board	Fixed	10,000	3.30	2031/32
Public Works Loan Board	Fixed	10,000	3.44	2036/37
Public Works Loan Board	Fixed	7,423	3.50	2041/42
Total Long-term borrowing		47,423		
Short-term Parish Council Loans		89	0.00	
Total borrowing		47,512		

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

Treasury Investment Activity

CIPFA published a revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes on 20th December 2021. These define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £59.5m and £78m million due to timing differences between income and expenditure. The investment position is shown below.

Treasury Investment Position

Investments	31.03.22 Balance £'000	2023 Movement £'000	31.03.23 Balance £'000	31.03.23 Rate of Return %
Banks (unsecured)	4,010	(76)	3,934	1.35
Local Authorities	52,000	(10,000)	42,000	3.11
Money Market Funds	8,000	8,000	16,000	3.95
CCLA Property Fund	4,000	0	4,000	4.35
Total investments	68,010	(2,076)	65,934	

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Bank Rate has increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023. Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6-12 month maturities.

By end March 2023, the rates on DMADF deposits ranged between 4.05% and 4.15%. The return on the Council's sterling Low Volatility Net Asset Value (LVNAV) Money Market Funds ranged between 0.22% - 0.65% p.a. in early April and between 3.98% and 4.09% at the end of March.

Given the risk of short-term unsecured bank investments, the Authority has diversified into higher yielding asset classes (CCLA fund) and continues to hold £4m in the pooled property fund.

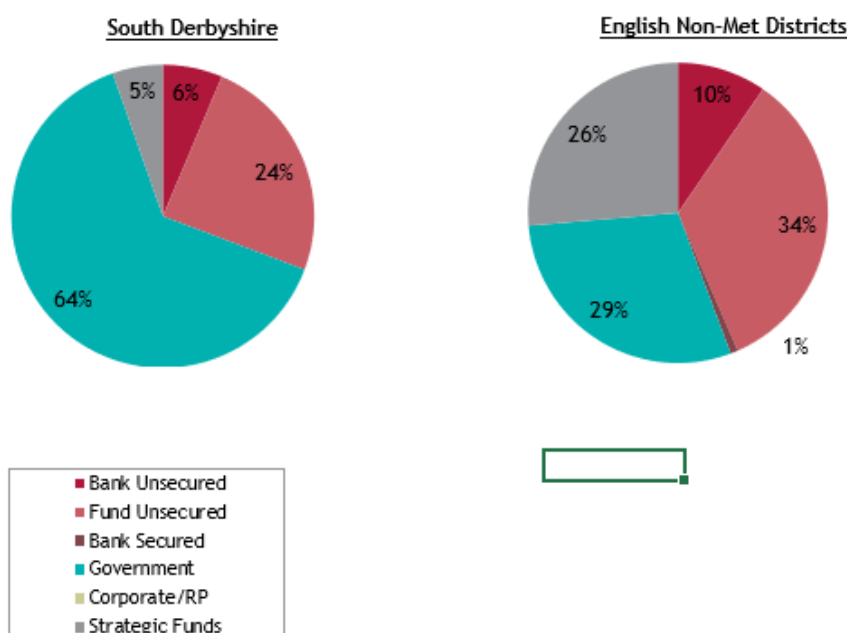
The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking below.

Investment Benchmarking – Treasury investments managed in-house (excludes CCLA)

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2023	4.93	A+	32%	72	2.06
Similar LAs	4.74	A+	63%	56	0.73
All LAs	4.71	A+	59%	12	1.59

Benchmarking Key:

Credit Score	This is a value weighted average score calculated by weighting the credit score of each investment by its value. A higher number indicates a higher risk.
Credit Rating	This is based on the long-term rating assigned to each institution in the portfolio, by ratings agencies Fitch, Moody’s and Standard & Poor’s. Ratings rang from AAA to D, and can be modified by +/-
Bail in Exposure	The adoption of a bail in regime for failed banks results in a potential increased risk of loss of funds for local authority should this need to be implemented. Therefore, a lower exposure to bail in investments reduces this risk.
Weighted Average Maturity	This is an indicator of the average duration of the internally managed investments. Similar authorities have a similar profile to South Derbyshire; other larger authorities tend to hold a greater proportion of fund in money markets than fixed term deposits with other LAs, due to their cash flow requirements.



This chart illustrates the type of investment funds held by the Council in comparison to other similar Local Authorities, this shows in greater detail, the comparisons in the bail in exposure and rate of return, on the above security benchmark table. The unsecured funds held by other Local Authorities is a much higher percentage of their investment portfolio, which will offer them a higher rate of return, however the bail in exposure risk to funds is 63% of their total portfolio., The Council have invested their funds in much safer secured investments (Government) which may produce a smaller yield but the risk to Council funds is low at 32%.

Externally Managed Pooled Funds: £4m of the Authority’s investments is invested in externally managed strategic pooled property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £152,919 which is used to support services in year.

Dividends continued to be received from the Authority’s property funds, the payout increasing for most funds in the portfolio.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority’s medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns should exceed cash interest rates.

The Authority had budgeted £136,000 income from these investments in 2022/23. Income received was £149,202, whilst a further £38,408.99 has been declared and is due to be paid by April/May 2023.

The DLUHC published a consultation on the IFRS 9 pooled investment fund statutory override for English authorities for fair value gains and losses on pooled investment funds which was due to expire with effect from 2023/24. The options under evaluation were to allow the override to lapse, to extend it, or to make it permanent. The override will be extended for two years and therefore remain in place for the 2023/24 and 2024/25 financial years. Under the Regulations, gains and losses resulting from unrealised fair value movements relating to treasury pooled investment funds, that otherwise must be recognised in profit or loss under IFRS 9, are not charges to the revenue account, and must be taken into an unusable reserve account.

The performance of the investment over the year is shown in the table below.

CCLA Property Fund Performance

		2021/22	2022/23
		Q4	Q4
Dividend Received	£	34,693	38,409
Annual Equivalent Interest Rate	%	3.28%	4.35%
Bid (Selling) Price	pence/unit	339.82	283.80

The mid-market value of the CCLA Property Fund as at the 31st March 2023 is £3,587,750.77 and the bid market value is £3,532,118.04 with the total number of units held being 1,244,580.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority’s investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates. In light of their performance over the medium/long-term and the Authority’s latest cash flow forecasts, investment in these funds has been maintained.

Performance Indicators

The main indicator the Council uses to measure its return on short-term investments to average over the year, is the Average 7-Day Money Market Rate. This is a standard measure of performance. Performance for the last year is shown below.

	As at 31.03.22	As at 31.03.23
Average 7-Day Money Market Rate (Target)	0.19%	3.89%
Average Interest Rate Achieved on Short Term Deposits	0.26%	3.43%

Our current investment profile includes several local authority loans which were dealt during 21/22 financial year when interest rates were not as favourable. This therefore brings down the overall average interest-rate on short term deposits. The expectation being, as these loans mature higher interest rates will be achieved upon new dealings.

Compliance

The Chief Finance Officer reports that during the final quarter treasury management activities have not fully complied with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy.

On the 13th January 2023 the balance held in the Council’s main bank account, Barclays, breached the Counterparty limit of £3m. The reason for the breach is that a large invoice for S106 was unexpectedly paid late afternoon resulting in the Council exceeding the counterparty limit by £1.1m. The S151 Officer was informed of the breach.

Non-compliance with specific investment limits is demonstrated in the table below:

Investment Limits

Sector	2022/23 Maximum	Counterparty Limit	Time Limit	Sector Limit	Complied
The UK Government	£22m	£25m	364 days	n/a	✓
Local authorities & other government entities	£40m	£5m	364 days	Unlimited	✓

Banks (unsecured)*	£4.1m	£3m	35 days	Unlimited	x
Building societies (unsecured)*	£2m	£2m	35 days	£5m	✓
Money Market Funds*	£16m	£2m	60 days	£14m	✓
Strategic Pooled Funds	£4m	£4m	n/a	£4m	✓
Other Investments*	0	£1m	35 days	Unlimited	✓

Debt Limits

Compliance with the operational boundary for external debt is demonstrated in the table below:

	Actual Debt 22/23	Operational Boundary	Authorised Limit
Debt Limits	£'000	£'000	£'000
HRA	47,423	47,423	66,853
General Fund	0	5,000	4,214

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. The total debt for the year did not exceed the operational boundary.



**South
Derbyshire
District Council**

Prudential Indicators 2022/23

March 2023

Introduction

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimated Capital Expenditure and Financing

This is the approved capital investment programme for the General Fund, together with stock investment proposals included in the HRA Business Plan. The programme is summarised in the following table.

Estimated Capital Expenditure £	Actual 2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
General Fund	4,013,345	4,742,558	2,775,032	2,336,760	849,211	651,500
HRA	2,456,166	2,432,186	2,877,000	3,143,503	2,497,000	3,232,000
Total	6,469,511	7,174,744	5,652,032	5,480,263	3,346,211	3,883,500
Financed by £	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Grants and Contribution	2,914,945	2,924,000	1,240,000	820,000	400,000	400,000
Council Resources	3,554,566	4,250,744	4,412,032	4,660,263	2,946,211	3,483,500
Total	6,469,511	7,174,744	5,652,032	5,480,263	3,346,211	3,883,500

Approval for a capital bidding round and scoring of bids following recommendations from the Service and Financial Planning Working Group was granted at Finance and Management Committee on the 9th July 2020.

Of the 14 bids receiving approval 6 are ongoing with capital expenditure expected to commence in the new financial year. Along with the capital projects approved on 8th October 2020, the Council continues to invest in its ICT Strategy and vehicle replacement programme. The Council is also delivering projects across the district funded through the Better Care Fund.

Subsequent years' expenditure relates to the phasing of the larger Capital projects, continuing asset replacement program and investment onto the Council's ICT Strategy.

The general downward trend of HRA expenditure relates to the reduction in New Build Properties and a reduction in major works due to the need to set-aside funds for the repayment of debt. The major repairs have a five-year plan for improving Council properties to decent homes standard.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves and capital receipts.

Overall, the capital expenditure programme is financed from Government grants, external contributions, Council reserves and capital receipts.

The table highlights that the five-year investment programme is fully funded. If all financing is not secured, expenditure will need to be curtailed or other resources and reserves identified.

Due to the current level of reserves and cash on deposit, current policy is that any longer-term borrowing is undertaken only as a last resort to meet any shortfall; any new borrowing will only be undertaken prudentially within the Council's debt limits.

The Council's Borrowing Need or Capital Financing Requirement (CFR)

The CFR is a measure of the Council's underlying need to borrow for capital investment and is based on the net value of fixed assets contained in the Council's Balance Sheet.

The CFR does not necessarily represent the amount of actual external debt outstanding. This is due to the fact that not all borrowing previously allowed has in effect taken place against this requirement, but is being financed internally through cash deposits and reserves.

Capital expenditure that has not been immediately paid for increases the CFR through additional borrowing, including internally. The CFR is reduced following debt repayment or through setting-aside revenue sums to repay internal borrowing.

The Council is required to pay off an element of the accumulated General Fund CFR each year through a revenue charge called the Minimum Revenue Provision (MRP). In addition, a Voluntary Revenue Provision (VRP) is made where borrowing has taken place on a prudential basis.

There is no requirement to make a MRP for the HRA. However, money is being set-aside to repay HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan.

A summary of the CFR estimates is shown in the following table.

Expected CFR	Actual	2023/24	2024/25	2025/26	2026/27	2027/28
	2022/23					
	£'000	£'000	£'000	£'000	£'000	£'000
CFR b/fwd	55,993	55,798	45,610	45,447	45,293	35,144
Add New Financing	0	0	0	0	0	0
Less MRP	-175	-168	-161	-155	-148	-142
Less VRP	-20	-21	-2	0	0	0
Less Debt Repayment	0	-10,000	0	0	-10,000	0
CFR c/fwd	55,798	45,609	45,447	45,292	35,145	35,002
General Fund Proportion	4,214	4,026	3,863	3,709	3,560	3,418
HRA Proportion	51,584	41,584	41,584	41,584	31,584	31,584
Total	55,798	45,610	45,447	45,293	35,144	35,002

The VRP has reduced to zero due to the repayment of previous internal borrowing schemes relating to the purchase of receptacles to extend the kerbside recycling scheme in 2013,

together with the repayment of the internal borrowing for the Grove Hall Extreme Sports projects.

Debt Pools

The Council operates two separate Debt Pools, one for the General Fund and one for the Housing Revenue Account (HRA). There is no external debt currently outstanding on the General Fund, although it has a positive CFR representing an underlying borrowing need.

The General Fund CFR is reduced each year by a statutory revenue charge known as the Minimum Revenue Provision (MRP). In addition, a Voluntary Revenue Provision (VRP) is made where borrowing has been undertaken on a prudential basis.

There is no requirement to make a MRP or VRP in the Housing Revenue Account. The HRA has debt outstanding of just over £47m. This represents the debt inherited under the self-financing framework for Council Housing.

Although no MRP is required for the HRA, money is being set-aside to repay the HRA debt in accordance with the maturity profile. This strategy is reflected in the HRA's Financial Plan. The expected CFRs over the current financial planning period to 2027/28 are detailed in the following table.

Expected CFR	Actual 2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
General Fund Proportion	4,214	4,026	3,863	3,709	3,560	3,418
HRA Proportion	51,584	41,584	41,584	41,584	31,584	31,584
Total	55,798	45,610	45,447	45,293	35,144	35,002

The CFR on the General Fund will continue to reduce over the medium-term due to MRP/VRP being applied. These charges for all years are included in the Council's base budget.

Effectively, the MRP/VRP creates a cash amount in the Council's budget in order to write down the underlying borrowing requirement.

The larger CFR on the HRA has remained static in previous years, the first repayment of £10m self-financing loans was paid in March 2022, with another repayment in March 24 and March 27, after these payments the CFR is forecast to remain static for a period, unless any new borrowing is required.

Limits to Borrowing Activity

The Council is required to set limits on overall borrowing (net of investments). This controls borrowing and ensures that the Council does not, except in the short term, exceed the total of the CFR in the preceding year, plus the estimates of any additional CFR for the current and the next two financial years.

A short-term deviation is allowed for flexibility if a limited amount of borrowing was required to meet temporary shortfalls in cash flow. The estimated position is detailed in the following table.

Estimated Borrowing Compared to the CFR	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Gross Borrowing - HRA	47,423	37,423	37,423	37,423	27,423	27,423
Gross Borrowing - General Fund	0	0	0	0	0	0
Total Gross Borrowing	47,423	37,423	37,423	37,423	27,423	27,423
Total CFR	55,798	45,610	45,447	45,293	35,144	35,002

The above table shows that as gross borrowing is likely to remain below the CFR, the Council will comply with this Prudential Indicator.

The Authorised Limit for External Debt

This is the limit beyond which external debt is prohibited. It is the statutory limit determined under section 3(1) of the Local Government Act 2003. The debt cap for HRA self-financing was removed by the Government in 2018/19.

The Operational Boundary for External Debt

This represents the expected external debt during the course of the year, but it is not a limit. It is designed to aid the Chief Finance Officer to manage treasury activity on a daily basis and acts as an early warning sign of any potential issues. It includes a provision for temporary borrowing of £5m. As in recent years, it is not expected that any temporary borrowing will be required but is included as a contingency should cash flow become negative in the short-term.

The Limit and Boundary are summarised in the following table.

Debt Limits	Actual 2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Authorised Limit - General Fund	4,214	4,026	3,863	3,709	3,560	3,418
Authorised Limit - HRA	51,584	41,584	41,584	41,584	31,584	31,584
Operational Boundary	52,423	42,423	42,423	42,423	32,423	32,423

As noted above, there is no longer a debt cap on the HRA and therefore borrowing is no longer restricted but it must remain affordable over the plan.

To ensure affordability, the Chief Finance Officer has retained the former limit.

Cost of Debt to Finance Capital Expenditure

This indicator shows how much per year the costs of borrowing impact upon each household (at Band D Council Tax rate) in the District and for each council tenant (HRA).

As there is no actual debt on the General Fund, the impact on Council Tax is positive as this represents interest on cash deposits.

Cost of Servicing Debt	Actual 2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Estimated Net Interest Received - General Fund	-751,544	-282,638	-282,638	-282,638	-282,638	-282,638
Estimated Band D Properties (per MTFP)	36,702	37,663	38,616	39,707	40,797	41,887
Cost per Band D Property	-£20.48	-£7.50	-£7.32	-£7.12	-£6.93	-£6.75
Estimated Net Interest Payable - HRA						
Estimated Net Interest Payable - HRA	1,117,245	1,359,201	1,089,201	1,089,201	1,089,201	788,201
Estimated Dwellings (per MTFP)	2,937	2,919	2,901	2,883	2,865	2,847
Annual Cost per Dwelling	£380.40	£495.75	£498.83	£408.88	£411.46	£276.85

The Use of the Council's Resources and the Investment Position

The Council has available at any one time, reserves and balances which are held to finance future expenditure commitments or to act as a contingency sum as recommended by the Council's Chief Finance Officer.

These balances are available for investment on a short-term basis in accordance with the Investment Strategy. The expected level of reserves and balances is shown in the following table.

Estimated Usable Reserves	Actual 2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
General Fund	15,222	12,827	9,619	5,866	1,998	-2,167
Earmarked	27,335	26,756	25,496	24,398	23,947	23,696
Capital Receipts and Grants	7,266	6,022	5,747	5,147	5,147	5,147
Debt Repayment	5,693	354	3,218	6,160	48	2,079
HRA General Reserve	4,609	2,711	2,123	1,912	1,357	2,381
Total Reserves	60,125	48,670	46,203	43,483	32,497	31,136

The above table shows that overall the level of resources is expected to decrease over the financial period and it assumes in particular, that forecasted deficits on the General Fund will be financed from general reserves until budget savings or additional income are identified. When identified, the level of resources will remain higher.

Based on this level of reserves, it is estimated that the Council will continue to have funds available for investment each year. In accordance with the Investment Strategy, these investments will continue to be held in short-term (less than 364 days) deposit accounts.

Ratio of Financing Costs to Net Revenue Stream

This indicator shows the trend in the net cost of borrowing (allowing for investment income) against the net revenue stream, i.e. Council Tax for the General Fund and Rent Income for the HRA. Estimates are included in the Council's Medium Term Financial Plan (MTFP) and are shown in the following table.

Financing Ratios	Actual 2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
General Fund						
Estimated Council Tax Income	6,346,143	6,639,373	6,940,167	7,275,262	7,620,787	7,977,021
Net Interest Receivable	-751,544	-282,638	-282,638	-282,638	-282,638	-282,638
Proportion	-11.84%	-4.26%	-4.07%	-3.88%	-3.71%	-3.54%
HRA						
Estimated Rental Income	12,382	12,872	13,449	13,766	14,089	14,420
Estimated Interest Payable	1,505	1,362	1,093	1,093	1,093	792
Proportion	12.15%	10.58%	8.12%	7.94%	7.76%	5.49%

With no debt on the General Fund, the indicator is negative. The ratio reflects the level of "gearing" - how much of the Council's revenue is tied up in borrowing costs. Although the proportion for the HRA is greater in percentage terms, this is a relatively fixed cost but affordable within the HRA's Financial Plan.

**COUNTERPARTY LIST 2022/23
(as at March 2023)**

Treasury investment counterparties and limits

Sector	Counterparty Limit	Time Limit	Sector Limit
The UK Government	£25m	364 days	n/a
Local authorities & other government entities	£5m	364 days	Unlimited
Banks (unsecured)*	£3m	35 days	Unlimited
Building societies (unsecured)*	£2m	35 days	£5m
Money Market Funds*	£2m	60 days	£16m
Strategic Pooled Funds	£4m	n/a	£4m
Other Investments*	£1m	35 days	Unlimited

This table must be read in conjunction with the notes below

*** Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. The Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3m. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM:7
DATE OF MEETING:	20 JULY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON Charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2022-23/July/budget outturn report 2023
SUBJECT:	FINAL REVENUE BUDGET OUT-TURN 2022/23	REF:
WARD (S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

1.1 To approve the final outturn position for:

- The General Fund Revenue Account 2022/23
- The Housing Revenue Account 2022/23
- The Balance of Reserves as at 31 March 2023.

1.2 That the Committee note that a net appropriation of £599K in 2022/23 is made from the General Fund Reserve to other Earmarked Reserves and a net appropriation of £145k is made from the Earmarked Reserves to the HRA General Reserve as detailed in the report.

1.3 That the Committee note the following contributions and adjustments have been made to Bad Debt and Appeal Provisions in 2022/23:

Sundry Debtors	40,436	General Fund
Temporary Accommodation	8,963	General Fund
Housing Benefit Overpayments	72,014	General Fund
Council Tax Arrears	13,576	General Fund
Business Rates Arrears	8,586	General Fund
Business Rates Appeals	283,000	General Fund
Planning Appeals	-10,000	General Fund

1.4 That members note that overall, there has been a reduction in the bad debt. The reduction is contained within the balance sheet £173k, whilst the annual charge to the general fund base budgets was a favourable variance of £193k.

1.5 That Committee notes that a review of Earmarked Reserves will be undertaken by the Section 151 Officer before the end of the financial year, as set out in paragraph 5.8.

2.0 Purpose of Report

2.1 To detail the final out-turn position for 2022/23 on the Council's revenue accounts. The report also details the financial position on these accounts as at 31 March 2023 compared to that estimated in the Council's Medium-Term Financial Plan (MTFP).

2.2 This report is divided into the following sections:

- Section 3 – General Fund Revenue Account 2022/23
- Section 4 – Housing Revenue Account 2022/23
- Section 5 – Reserves as at 31 March 2023

- Appendix 1 - General Fund Account 2022/23
- Appendix 2 – Housing Revenue Account 2022/23
- Appendix 3 – Earmarked reserves March 2023

3.0 GENERAL FUND REVENUE ACCOUNT

3.1 Apart from Council Housing, day-to-day income and expenditure on Council services is accounted for in the General Fund. The net expenditure is financed by:

- General Government Grant
- Retained Business Rates
- New Homes Bonus
- Council Tax

3.2 The Budget for 2022/23, which was approved in February 2023, estimated a budget deficit of £2,258,291 for 2022/23. Following the update of the Medium-term Financial Plan (MTFP) in March 2023, this was revised to a deficit of £2,298,014. As summarised in the following table the actual deficit reduced to £1,981,090 a decrease of £316,924.

GENERAL FUND MEDIUM TERM FINANCIAL PLAN BUDGET & ACTUAL 2023

	Budget £ 2022.23	Outturn £ 2022.23	Variance £ 2022.23
BASE BUDGET			
Environmental & Development	6,650,036	7,580,713	-930,678
Housing & Community	2,896,360	3,079,646	-183,286
Finance & Management	6,524,412	7,102,625	-578,213
Net Service Expenditure	16,070,808	17,762,984	-1,692,176
Accounting Adjustments			
Reverse out Depreciation	-1,268,382	-1,556,749	288,367
Minimum Revenue Provision (MRP)	174,654	174,654	0
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	20,556	20,556	0
Contingent Sums	51,414	108,034	-56,620
Provisions	210,000	160,000	50,000
	15,259,049	16,669,479	-1,410,430
TOTAL FINANCING	-13,791,424	-15,301,247	1,509,823
Capital Contributions	830,388	612,858	217,530

Final Budget Outturn 2022/23 - Summary

3.3 **Appendix 1** details the final outturn on the General Fund for 2022/23 with a comparison to the approved budget. Below is a summary of the final position by service area.

COMMITTEE SUMMARY – FINAL POSITION 2022/2023

Summary by Service Area

REVENUE	ANNUAL			RESERVES	
	Full Year Budget £	Projected Actual £	Projected Variance £	Earmarked £	Net effect on GF £
Economic Development	367,555	383,982	-16,427	-16,428	1
Environmental Services	842,838	997,868	-155,030	-33,645	-121,385
Highways & Parking	55,996	63,678	-7,683	-1,534	-6,149
Licensing & Land Charges	27,849	21,919	5,931	5,000	931
Planning	697,909	958,119	-260,210	-268,000	7,790
Street Scene	1,345,355	1,181,696	163,660	1,933	161,727
Waste & Transport	3,312,534	3,973,451	-660,917	123,447	-784,364
Community Development & Support	730,919	741,367	-10,448	-52,603	42,155
Recreational Activities	180,581	292,704	-112,123	-117,442	5,319
Leisure Centres & Community Facilities	771,453	1,095,728	-324,275	-69,965	-254,310
Parks & Open Spaces	668,433	653,847	14,586	-53,539	68,125
Private Sector Housing	544,974	296,000	248,974	163,273	85,701
Central Support Services	4,418,636	4,455,553	-36,917	-113,250	76,333
Corporate & Democratic Costs	569,395	522,962	46,433	13,374	33,059
Elections & Registration	232,013	170,668	61,344	0	61,344
Parishes, Interest, S106 Receipts & Provisions	797,961	1,530,409	-732,447	-1,544,537	812,090
Estate Management	-238,225	-72,784	-165,440	-165,440	-0
Revenues & Benefits	744,632	495,817	248,815	-2,881	251,696
Other Operating	-14,603,182	-15,981,894	2,009,100	-668,566	2,677,666
	1,467,625	1,781,090	316,923	-2,800,803	3,117,727

Overview of Income and Expenditure 2022/23

3.4 Although there was an overall surplus, this was after meeting some additional cost pressures. Variances have been reported in monitoring reports during the year, with actual figures now finalised. An analysis of the major variances is shown in the following tables with commentary in the sections that follow.

GENERAL FUND VARIANCE TO BUDGET 2022/2023

	£'000
Salary savings (vacancies, maternity etc.) - E&D	749
Salary savings (vacancies, maternity etc.) - F&M	305
Salary savings (vacancies, maternity etc.) - H&C	87.4
Total Employee	1142
Investment income	614
Grants	203
Fees	233
Bad Debt provision decrease	193
Vehicle Hire	136
Additional Trade Waste Income	100
Court Fees	48
Derbyshire County Council Contributions	44
Training	42
Grounds Maintenance Recharge	42
Benefits (Allowances/Rebates & Overpayment)	41
Repairs	38
Insurance	26
Elections	15
Prof Fees	11
Service Charges	11
Annual Canvas	10
Subscriptions	9
Other Variances (Net)	8
Additional Test and Trace Admin Funding	7
Printing	3
Benefits Processing	3
Total Favourable Variances	2,978
Agency	-1078
Spare Parts	-392
Utilities	-310
Kennelling	-173
Recruitment Fees	-131
Fuel	-127
Gulley Hire	-73
Pit Inspection	-60
Tools /Materials/Equipment Hire	-44
Oil/Grease	-39
Waste Collection	-38
Bins/Sacks	-22
Postage	-20
Events	-15
Maintenance	-9
Contract Cleaning	-6
Tools & Equipment	-2
Total Adverse Variances	-2,538

Other operating Variances

Business rates	1,431
Lower Tier Service Grant	-71
Council Tax surplus	-50
Capital contributions	218
Reserves	-2,132
Contingent Sums	432
Provisions	50
Total Other Operating Variances	-122
TOTAL - OVERALL PROJECTED VARIANCE	317

Variances

3.5 Salary savings in year relate to vacancies and maternity these savings are offset by agency and consultancy to support service areas as noted in the following table.

	Employee £'000	Agency £'000	Variance £'000	
Recycling	172	-355	-183	Recruitment in progress
Street Scene	285	-73	212	Recruitment in progress
Direct Services Administration and Management	163	-99	64	Vacant post
Revenues and Customer Services	67	-50	17	Vacancies
Waste and Transport	72	-441	-369	Recruitment in progress/Long-term sickness
Democratic	18	-13	5	Vacant post
Organisational Development	30		30	Vacant post
Rosliston	10		10	Vacant post
Caretaking	16	-3	13	Vacant post
Environmental	49	-26	23	Recruitment in progress/Long-term sickness
Community Centres	35	-5	30	Vacant post (HOS)
Licensing	8		8	No pension payments
Business Change & Digital	55		55	Vacant posts (Retirement)
Senior Management	60	-6	54	Vacant posts/Secondment
Finance	23	-1	22	Vacant posts
Election	38	-6	32	Vacant post. No personal canvas
Events Management	8		8	Vacancies & Lower Scale Paid to Budget
Private Housing	34		34	Vacant Posts

Favourable Variances

- 3.6 Investment income performed well due to the increases in the Bank of England base rate. Temporary loan percentages have at doubled in recent months, as previously dealt temporary loans repay, new market rates offered for reinvestment are producing a significantly higher yield. Further information is detailed in the Treasury Monitoring Report.
- 3.7 Grant income was received in year for new burdens for the administration of the Governments Energy Rebates (£80K), benefits support grants (£79K) and the Redmond Review (£20k) for Audit. These grants were unbudgeted and in addition to the reported outturn position in quarter 3 of £21k.
- 3.8 Fee income has performed better than budget in several service areas increasing the overall variance to £233k from the previous quarter's prediction of £55k. The main services achieving higher incomes in addition to the Cemeteries and Pollution reduction previously reported were Grounds Maintenance for the additional ground works provided to Parish Councils, Recycling and new customers in Environmental Services following the commercialisation of consultancy and food safety services.
- 3.9 Savings on vehicle hire in recycling, due to the procurement of used vehicles is providing a favourable variance of £136K which is currently offsetting some the costs being incurred in Household Waste and due to a number of broken-down vehicles £392k.
- 3.10 Income from Trade Waste collections exceeded budget by £100k. New customers and the retention of existing customers demonstrates that the service provided is competitive and viable.
- 3.11 The variation on Court Fees of £48k accounts for the rebates received against Council Tax collection in the year.
- 3.12 Contributions from Derbyshire County Council are higher than budget on waste disposal due to higher levels of green waste and recycling. The final variance of £44k is in line with previous predictions.
- 3.13 Training budgets previously expected to be fully spent are now identified as savings (£42k) in various service areas. Vacant posts remaining unfilled have accounted for scheduled training not taking place.
- 3.14 Repairs has changed from and adverse variance from the previous quarter to a favourable outturn variance. This is due to the approval of repairs to the Swimming Pool at Etwall being funded by the sinking fund set up as part of the Joint Management Contract. Also, the predicted repairs at Rosliston Forestry Centre were not completed by year end.

Adverse Variances

- 3.15 Spare part costs were in line with predictions in quarter 3 with the adverse variance at year end £392K. Although these costs are partially offset by vehicle hire as detailed in 3.9
- 3.16 Utilities costs that the Council are responsible for as part of the energy benchmarking contractual arrangements with Active Nation, meant that there was a significant increase in cost from quarter 3. Robust action was undertaken by Active Nation to mitigate this increase in cost.
- 3.17 Kennelling fees final position were as predicted in quarter 3 although they declined over the year the additional expenditure to budget related to a large seizure of puppies, which incurred vets' fees and the need to be housed until they were 8 weeks old. Many animals seized are on the fostering programme which reduced kennelling fees in the later part of the year.
- 3.18 Recruitment fees overspend were due to the specialist recruitment of the Leadership team and previous Head of Service roles earlier in the year. The variance of £131k provides for costs for the recruitment of the Chief Executive and the Strategic Directors.
- 3.19 Fuel and Oil costs have been difficult to predict the adverse variance of £166k was slightly less than projected in quarter 3 by £8K the price per litre reduced in the last quarter from £1.49 per litre to £1.17. There is a provision within the MTFP for the additional costs from the Route Optimisation Project delay, however the main reason for the adverse variance is due to the volatile market conditions earlier in the year.
- 3.20 Following the arrival of the new Gully Cleaner the adverse variance was expected to remain static, however due to a breakdown of a sweeper the costs increased from October accounting for the £73k adverse outturn position.
- 3.21 The pit inspection costs were provided for in the MTFP within the contingent sums and is listed within 3.31.
- 3.22 Waste collection costs are offset by the increased income in Trade Waste Collections.

Housing Benefit Overpayments

- 3.23 These relate to overpayments whether they have occurred through processing error, claimant misinformation or fraud. The recovery is usually slow and may take several years where an overpayment is being deducted from on-going benefit. Depending on how the overpayment occurred, on average, around 40% is reimbursed through the housing benefit subsidy system in the year that the overpayment occurred.

Net Cost of Housing Benefit

3.24 The cost of Housing Benefits decreased overall by £30k as shown in the following table.

	Estimate £'000	Actual £'000	Variance £'000
Rent Allowances Paid	6,077	6,541	-464
Rent Allowances Subsidy	-5,900	-6,329	429
Net Cost of Rent Allowances	177	212	-35
Rent Rebates Paid	4,125	4,475	-350
Rent Rebates Subsidy	-4,044	-4,330	286
Net Cost of Rent Rebates	81	145	-64
Net Cost of Benefits Paid	258	357	-99
Overpayments Recovered (Rent Allowances)	-140	-269	129
Overall Cost of Housing Benefit	118	88	30

3.25 The cost of benefits falling on the Council is sensitive to small changes given the amount involved. It is important that the Council maximises its subsidy through robust processing. The total cost of benefits paid and administered was approximately £10m in 2022/23.

3.26 The previous table shows that the net cost of benefits paid was approximately £30k less than that estimated. Overpayments recovered were budgeted at £140k against an actual recovery of £269k. Any overpayments recovered are a direct benefit to the General Fund.

Financing

3.27 An analysis of income retained directly in the General Fund is shown in the following table.

FINANCING	MTFP	Actual	Variance
Business Rates Retention	-3,795,025	-5,425,682	1,630,657
Services Grant Allocation	-173,984	-173,985	1
Lower Tier Services Grant Allocation	-291,393	-220,749	-70,644
New Homes Bonus	-3,018,486	-3,018,486	0
Funding Guarantee	0	0	0
Council Tax Income	-6,346,143	-6,346,143	0
Core Spending Power	13,625,031	15,185,045	1,560,014
Add Estimated Collection Fund Surplus - Council Tax	-166,393	-116,202	-50,191
TOTAL FINANCING	13,791,424	15,301,247	1,509,823

- 3.28 Business rates generated an additional £1.6m in due to the delayed nature of NDR accounting and business growth in the district.
- 3.29 The Lower Tier Services Grant and Council Tax surplus was reduced overall by £120k (£71k in “Lower Tier Services Grant” and £50k in council tax surplus) due to estimates being out of line with actuals.
- 3.30 The overall additional funding provided an additional £1.5m to offset the overspends in the net service expenditure. Given the favourable position on business rates performance, and its strong links to growth within the district, a £200k reserve to support delivery of decisions against the circa 400 application planning backlogs has been created. Including this reserve, the general fund deficit reduced by £317 as detailed in 3.2.

Contingent Sums

3.31 Contingent sums are known cost pressures that are not included in the service area budgets a breakdown of the contingent sums utilised in 2022/23 is in the table below:

Contingent Sums			
Known Variations to Budget	MTFP	Actual	Variance
Reverse out Depreciation	1,268,382	1,556,749	288,367
Investment Income	-275,000	-275,000	0
Insurance Tender	-146,500	-146,500	0
Pension Earmarked Reserve Drawdown	-43,589	-43,589	0
Drakelow Concurrent Functions	2,185	0	2,185
Local Plan Review	15,000	0	15,000
Public Sector Audit Appointments - Additional External Audit Fees	20,000	20,000	0
Voluntary Revenue Provision (VRP - Recycling Bins & Grove Active Zone)	20,556	20,556	0
Driver and Mechanic Incentive Payment	47,722	37,527	10,195
Waste Disposal Site	49,310	49,310	0
Route Optimisation Potential Project Delay	59,634	59,634	0
Operating Licence Inspection Pit	60,000	60,000	0
Land Charges Service Review Provision	116,000	0	116,000
Operational Services - Allocated Growth Excluded From Base Budget	146,652	146,652	0
Minimum Revenue Provision (MRP)	174,654	174,654	0
Total Contingent Sums	1,021,758	1,453,505	431,747

Transfers between Reserves

- 3.32 Numerous transfers are required between the General Reserve and other Reserves held by the Council as part of the year-end process. These transfers are split between expenditure that is incurred and financed from earmarked reserves, together with amounts received in advance and capital receipts, which need to be transferred into earmarked reserves to meet future expenditure.
- 3.33 In addition, certain budget managers have made requests to transfer underspends from budgets in the year into 2023/24, to meet on-going commitments. Several of

these have already been approved by the Committee. All proposed transfers are detailed in the following table.

Transfers from Earmarked Reserves

S106 Movements	3,685,259
NNDR Relief Overpayment Provision	760,971
FIXED ASSET REPLACEMENT FUND	587,567
Planning staffing and support costs	308,000
Cultural Services Public Open Spaces	158,682
Local Authority Support COVID-19	118,896
Public Buildings Maintenance	83,665
Economic Regeneration Fund	78,325
ICT RESERVE	72,363
HRA ICT Mobile Working	57,580
TIC Transfer Provision	50,909
Welfare Reform, Fraud & Compliance	48,009
Council Tax Support Scheme - Hardship Fund	46,587
Discretionary Housing Payments	41,347
Operational Services Public Open Spaces	40,149
Discretionary Housing Top Up	40,000
New Town Centre Grant - Non-Heritage	38,036
Environmental Education	17,139
Biodiversity Enhancements - Swadlincote - Woodville regeneration route	14,867
Cultural Services Restructure Provision	10,810

6,259,161

Transfers To Earmarked Reserves

S106 Agreements	-4,219,642
Homelessness Prevention	-163,273
S106 Planning Policy Fee	-6,500
Economic Regeneration Fund	-9,555
Rosliston Forestry Centre Café	-13,374
Council Tax Support Scheme - Hardship Fund	-24,118
DHP Rent Arrears Top up	-30,000
New Town Centre Grant - Non-Heritage	-33,981
627 REVENUE COMMITTED EXPENDITURE RESERVE	-40,000
Public Buildings Maintenance	-40,967
New Burdens - COVID-19 Support	-43,660
HRA Asset Replacement	-45,000
Land Charges Software Support	-45,000
Welfare Reform, Fraud & Compliance	-48,461
Discretionary Housing Payments	-56,587
Schools Sport Partnership Project	-59,692
Asset Replacement and Renewal Fund	-87,000
Operational Services Public Open Spaces	-109,433
Pensions reserve	-132,236
HRA Repairs to Voids	-133,000
District Growth	-160,000
Recycling Service Provision	-175,000
Cultural Services Public Open Spaces	-192,909
ICT RESERVE	-195,542
Planning Staffing and Support Costs	-200,000

FIXED ASSET REPLACEMENT FUND	-270,000
Urban County Park	-468,855
	-7,003,785

3.34 **Appendix 2** details the proposed adjustments to Earmarked Reserves. The overall effect on the General Reserve, together with these transfers to other Reserves is detailed in Section 5.

4.0 **HOUSING REVENUE ACCOUNT (HRA)**

4.1 The Council is required to account separately for income and expenditure in providing Council Housing. The approved HRA Budget for 2020/21 was set with a deficit of £1,511m.

Final Outturn 2022/23

4.3 Final performance on the HRA is shown in the following table.

HRA SUMMARY BY AREA – FINAL OOUTURN 2022/2023

	ANNUAL			RESERVES	
	Budget £	Actual £	Variance £	Earmarked £	Net effect on HRA £
Rent and Rechargeable Repairs	-12,988,798	-12,534,707	-454,091	0	-454,091
Repairs and Maintenance	3,534,421	3,397,101	137,320	133,000	4,320
Managing Tenancies	2,104,334	2,102,927	1,408	-57,580	58,988
Supported Housing	658,345	664,838	-6,493	0	-6,493
Interest Payable and Receivable	1,456,005	1,120,351	335,654	0	335,654
Capital and Debt Repayment	4,172,313	4,094,500	77,812	0	77,812
Bad Debt Provision	125,000	-27,416	152,416	0	152,416
Contingent Sums	2,449,056	2,627,000	-177,944	0	-177,944
	1,510,678	1,444,594	66,084	75,420	-9,336

4.4 The HRA budgeted a deficit of £1,511m but due to increased interest receivable and a reduction in bad debt the HRA generated a reduction in spending of £66k. This reduction in spending includes the creation of an earmarked reserve from the underspends of £133k in repairs and maintenance. The reserve will fund the essential repairs required to relet void properties that could not be carried out in the financial year due to contractor restraints.

4.5 Variances have been reported in monitoring reports during the year, with actual figures now finalised. An analysis of the major variances is shown in the following tables with commentary in the sections that follow.

HRA VARIANCE TO BUDGET March '23

	£'000
Salary savings (vacancies, maternity etc.)	411
Interest Income and Expenditure	336
Repairs	164
Bad debt	152
Additional Careline Income	82
Insurance	70
Contract Cleaning	18
Training	17
Computing	15
Car Allowances	7
Fees	6
Advertising	-1
Subscriptions	-4
Refuse	-7
Rechargeable Repairs	-8
Materials	-21
Utilities	-25
Professional fees - Planned & Responsive	-29
Recharges	-36
Council tax	-67
Depreciation	-96
Reduced Rent due to Void Dwellings	-471
Agency and Consultancy Staff	-521
TOTAL - OVERALL PROJECTED VARIANCE	-9
Other operating adjustments	0

TOTAL - OVERALL PROJECTED VARIANCE **-9**

- 4.6 The greatest variance is the use of agency staff to cover skilled vacancies salary saving of £411k against agency costs of £521k gives an overall adverse variance at the end of the financial year of £110k.
- 4.7 Investment income performed well due to the increases in the Bank of England base rate. Temporary loan percentages have at doubled in recent months, as previously dealt temporary loans repay, new market rates offered for reinvestment are producing a significantly higher yield. Further information is detailed in the Treasury Monitoring Report.
- 4.8 Repairs were significantly lower than predicted in quarter 3, initially work scheduled to take place on housing stock was incomplete at the year end, and some elements of work cost less than anticipated. A reserve has been created from the overall cost centre variations of £133k for works that were scheduled but incomplete.

4.9 The charge to the HRA for its bad debt was not utilised, actual debt adjustments at the year-end resulted in a credit balance being allocated. The level of arrears and associated bad debts provision is shown in the following tables.

	2021 £	2022 £	2023 £
Leaseholders	615	615	1151
Current Tenants	459,228	478,689	375,172
Former Tenants	118,271	155,127	154,793
	578,114	634,431	531,116

4.10 The level of arrears decreased £16k in 2022/23 following a review of the bad debt provision.

	£
Bad Debt Provision B/fwd	484,187
Less write-offs	-48,123
Remaining Provision	436,064
Provision Required	419,295
Reduction	-16,769

4.11 Additional Care Line income is due to the unbudgeted receipt of the continued contribution from County Council of £10.40 per user.

4.12 A lower cost than budgeted for insurance relates to no longer administering the tenants' contents insurance, this is offset within the loss of income, along with a small commission loss for no longer providing the service.

4.13 The contract for cleaning is currently in negotiation, the current service provided has resulted in a favourable variance of £12k whilst a permanent solution is secured.

4.14 Training budgets previously expected to be fully spent are now identified as savings (£42k) in various service areas. Vacant posts remaining unfilled have accounted for scheduled training not taking place.

4.15 An inhouse solution to the housing tenancy surveys was used as an alternative to the budgeted software system which resulted in an unpredicted £15k variance.

Rental Income

4.16 Rental income is lower in year due to the average level of voids which is currently around 121 properties per month, together with the time being taken to relet voids, which on average currently stands at 158 days. The loss forecast is currently based on voids remaining at this level throughout the year but may not be sustainable beyond this in the medium-term.

4.17 Right to Buy losses have totalled 8 during the year which is below budget. A decline in Right to Buy enquiries and sales has been seen over the year with less than half the sales in 2021/22. Right to Buy is a significant risk to the HRA and although with the economic uncertainty sales have slowed down, the risk remains for future housing stock.

Other Variances

- 4.18 Other variances are also related to the voids issue. Council Tax and Utility charges, show an adverse variance which is forecasted in line with the current property numbers and length of time vacant.
- 4.19 The additional recharges (£36K) is the increase in General Fund recharges for its services to the HRA. The main reason for the variance is for grounds maintenance works to HRA land and sheltered accommodation communal areas.
- 4.20 Professional fees adverse variance relates to previous fire alarm and emergency light testing, which is now being undertaken by Careline staff, £29k of the adverse variance relates to the testing being carried out by an external contractor.
- 4.21 Prices of materials remained unstable throughout the year, repairs to dwellings incurred additional costs above normal expectations due to the materials required and the associated inflated costs.
- 4.22 Overall, the effect of the HRA surplus on the HRA's General Reserve is detailed in **Section 5**.

5.0 RESERVES

General Fund Reserve

- 5.1 Following the out-turn figures detailed in *Section 3*, the position on the General Fund Reserve Balance is summarised in the following table.

General Fund Reserve	Budget £'000	Actual £'000	Variance £'000
Balance b/fwd 1st April 2022	-14,473	-14,473	0
Add: Deficit / (Surplus) for the Year	1,468	1,369	99
Capital Contributions	830	613	217
Transfers to Earmarked and unusable reserves	70	-2,731	2,801
Closing Balance as at 31st March 2023	-12,175	-15,222	3,117

- 5.2 The table shows that the level of general reserves was greater than estimated at March 2023 by around £3m, as detailed in 3.3. The balances are still subject to audit.
- 5.3 The contributions towards capital works that were unspent in year will be maintained in the Reserve. They will be drawn down as expenditure is incurred to complete the relevant schemes in 2023/24.

Earmarked Reserves

- 5.4 The Council maintains earmarked reserves that are held, at the Council's discretion, for specific purposes. These are to meet one-off items of expenditure, together with areas where costs are incurred over several years, for example, vehicle and ICT replacements together with repairs and maintenance and where external funding may be received in advance of expenditure.
- 5.5 Annual contributions are made to the reserve from other accounts and reserves, and they are drawn down to finance expenditure in revenue and capital accounts as required.

- 5.6 Once established, earmarked reserves can only be used for that specific purpose. Other reserves may be established through a legal agreement or contractual commitment.
- 5.7 The Council's earmarked reserves are detailed in **Appendix 2**. This shows the overall change on individual balances during 2022/23, including the appropriations detailed earlier in the report in Section 3.
- 5.8 Towards the end of the financial year, the council's Section 151 Officer will undertake a review of all earmarked reserves to ensure their existence is appropriate and commensurate with the level of future liability or cost of risk control/mitigation actions. This exercise will form part of a wider organisational reserves risk analysis.

Housing Revenue Account (HRA) Reserve

- 5.9 Section 4 detailed the final account of the HRA, and this highlighted a small deficit for 2022/23 of £9k
- 5.10 The HRA reserve balance totals £4,609m as at 31 March 2023 and is the balance the other reserve movement relates to the social decarbonisation fund income capitalised at year end.
- 5.11 The reserve balance is shown in the following table.

HRA General Reserve	£'000	£'000	£'000
Balance b/fwd 1st April 2022	-6493	-6493	0
Add: Surplus for year	1510	1445	65
Earmark	0.00	74	-74
HRA General Reserve	-4,983	-4,974	-9
Other Reserve Movements	0	365	365
Closing Balance as at 31st March 2023	-4,983	-4,609	356

7.0 Financial Implications

- 7.1 As set out and detailed in the report.

8.0 Corporate Implications

- 8.1 As detailed in the report.

9.0 Community Implications

- 9.1 The production of financial information in a timely manner is an important part of stewardship and accountability for public resources. It aims to give electors, those subject to locally levied taxes and charges, Elected Members of the Council, employees and other interested parties clearer information about the Council's finances and its financial standing.

10.0 Background Papers

- 10.1 None

ENVIRONMENTAL & DEVELOPMENT SERVICES - FINAL OUTTURN 2022/2023

	Budget	Actual	Variance	Accounting Adjustments	General Fund	
	£	£	£	£	£	
Tourism Policy, Marketing & Development	78,263	129,172	-50,909	-50,909	0	
Promotion and Marketing of the Area	279,292	245,311	33,981	33,981	0	
Community Development	10,000	9,500	500	500	0	
	367,555	383,982	-16,427	-16,428	1	
Food Safety	72,945	83,425	-10,480		-10,480	Fav Subs £0.6k, Insurance £0.9k; Adv salaries £4.7k, fees £7.2k
Pollution Reduction	411,242	359,672	51,570		51,570	Fav salaries £21.8k, fees £27.8k, tools & equip £1.5k, Insurance £0.7k, Subs £0.6k, Draining £0.7k; Adv training £1.9k
Pest Control	18,520	14,843	3,676		3,676	Fav salaries £6.7k, Materials £1.9k; Adv fees £5.1k
Public Health	0	-843	843		843	Fav prof fees £0.7k
Public Conveniences	25,113	36,885	-11,772	-13,040	1,268	Fav utilities £1k, Insurance £0.2k
Community Safety (Safety Services)	202,866	371,551	-168,686		-168,686	Fav salaries £25.2k, training £1.6k, fees £1.7k, Insurance £0.3k, Mileage £0.7k, Tools £0.1k; Adv agency £26.3k, Kennelling £173k
Environmental Education	110,352	130,957	-20,605	-20,605	0	
Welfare Services	1,800	1,377	423		423	Fav prof fees £0.6k; Adv fees £0.2k
	842,838	997,868	-155,030	-33,645	-121,385	
Environmental Maintenance (Other Roads)	-70,557	-70,557	0		0	
Public Transport	29,302	27,162	2,140		2,140	Fav repairs £1.4k, Rates £0.5k, Insurance £0.3k

Off-Street Parking	97,251	107,074	-9,823	-1,534	-8,289	Adv prof fees £8k
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55,996	63,678	-7,683	-1,534	-6,149
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Local Land Charges	6,055	909	5,146	5,000	146	
Licensing	21,794	21,010	785		785	Fav sals £7.9k, training £4k, mileage £0.6k, gov't grants £4.2k, comp maintenance £1.2k, prof fees £2.1k, advertising £1k, insurance £0.4k, subs £0.3k; Adv fees £21.2k

27,849	21,919	5,931	5,000	931
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Emergency Planning and Works	16,000	16,071	-71		-71	
Building Regulations	35,200	35,200	0		0	
Dealing with Development Control Applications	328,955	660,711	-331,756	-308,000	-23,756	Covered by CPD10 underspends
Structure and Local Planning	321,713	254,743	66,970	40,000	26,970	Covers CPC10 overspends. Fav fees
Street Name & Numbering	-3,959	-8,606	4,647		4,647	Fav fees

697,909	958,119	-260,210	-268,000	7,790
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Grounds Maintenance	769,777	639,085	130,691	1,933	128,758	Fav salaries £123k, £2k agency, grounds recharge £42.2k Training £1.8k, Insurance £1.1k, hire £0.8k; Adv grass cutting £2.6k; Adv equipment £39.5k, materials £1.5k
Street Cleansing (not chargeable to highways)	575,579	542,611	32,968		32,968	Fav sals £162.7k, prof fees £10.6k, fees £16.6k; Adv materials, £6.1k, agency £71.3k, gully/sweeper hire £73.3k, bins/sacks £2.6k, equipment/hire £2.6k

1,345,355	1,181,696	163,660	1,933	161,727
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Household Waste Collection	1,698,815	2,110,117	-411,302	-57,412	-353,890	Fav sals £60.6k, fees £34.4k, recycling disbursements £147.6k insurance £9.2k, training £1.3k, subs £1k; Adv agency £348k, hire of vehicles £134.9k, DCC income £97.7k, bin/sacks £23.1k, equip hire £2.3k
Trade Waste Collection	-98,559	-125,869	27,310		27,310	Fav fees £66k, insurance £1.7k, bins/sacks £4.1k; Adv waste collections £38.2k, recycling disbursements £6.3k
Recycling	482,762	182,112	300,649	175,000	125,649	Fav sal £172.7k, hire of vehicles £270.5k, prof fees £2k, fees £42k; Adv agency £358.8k, Insurance £1.3k, parking £1.5k
Direct Services Central Admin	374,735	309,769	64,966		64,966	Fav sal £163.6k; Adv agency £98.8k
Transport Services	854,781	1,497,322	-642,541	5,859	-648,400	Fav sals £9.4k, transport recharge £26.1k, insurance £9k, subs £1.2k; Adv agency £93.3k, petrol £0.8, diesel £126.5k, oil/grease £17.8k, spare parts £392.4k, pit inspection £60k, equipment £3.4k
	3,312,534	3,973,451	-660,917	123,447	-784,364	
	6,650,036	7,580,713	-930,677	-189,227	-741,450	

HOUSING & COMMUNITY SERVICES - FINAL OUTTURN 2022/2023

	Budget £	Actual £	Variance £	Accounting Adjustments £	General Fund £	
General Grants, Bequests & Donations	314,123	301,297	12,826		12,826	Fav sals £3.7k, grants £8.9k, training £0.2k
Community Centres	214,446	201,704	12,742	-17,575	30,317	Fav sals £31.4k, Insurance £0.5k, Utilities £1.4k, Rates £0.1k, Mileage £0.6k, Fees £1.4k; Adv agency 4.7k
Community Safety (Crime Reduction)	140,910	175,937	-35,028	-35,028	0	

Defences Against Flooding	59,303	57,427	1,876		1,876	Fav prof fees £0.8k, Insurance £0.8k, Grounds maint £0.6k, Mileage £0.5k
Market Undertakings	2,138	5,002	-2,864		-2,864	Fav utilities £0.7k; Adv rates £3.5k

730,919	741,367	-10,448	-52,603	42,155
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Arts Development & Support	15,040	12,349	2,691		2,691	Fav prof fees £4.6k; Adv fees £2k
Events Management	124,297	130,936	-6,639		-6,639	Fav sals £7.6k, insurance £1.1k, rates £0.1; Adv equip hire £5.2k, Xmas extras £2k, fees £7.7k
Midway Community Centre	34,256	146,363	-112,107	-117,442	5,335	Fav utilities £1.9k, rates £0.5k, insurance £0.1k, subs £0.2k, trade waste £0.4k, fees £2k
Stenson Fields Community Centre	6,988	3,056	3,932		3,932	Fav rates £0.2k, printing £0.5k, subs £0.7, fees £3.3k; Adv trade waste £1k

180,581	292,704	-112,123	-117,442	5,319
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Melbourne Assembly Rooms	32,460	-2,207	34,667	35,017	-350	Adv insurances
Get Active in the Forest	34,453	12,265	22,188	22,188	-0	
Sports Development & Community Recreation	185,935	146,073	39,862	39,862	0	
Indoor Sports & Recreation Facilities	497,336	977,833	-480,497	-226,536	253,961	Fav repairs £12.6k, contributions £50.4k; Adv prof fees £5.8k, utilities £302k, Insurance £6.1k, TPP £1.9k
Outdoor Sports & Recreation Facilities (SSP)	0	-59,692	59,692	59,692	-0	
Play schemes	21,269	21,456	-188	-188	0	

771,453	1,095,728	-324,275	-69,965	254,310
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Allotments	-799	-2,666	1,867		1,867	Fav grounds maintenance
Rosliston Forestry Centre	310,654	101,698	208,956	176,132	32,824	Fav pay £9.6k, repairs £19.8k, rates £2k, insurance £5.2k, fees £43k, refuse £2.2k; Adv utilities £11k, grounds £5.4, oil £21.2k, contract cleaning £5.6k, subs £1.7k, bank charges £2k, phone £0.5, events £1k
Cemeteries	20,247	-9,882	30,129	-68	30,197	Fav sals £0.5k fees £28k, insurance £0.2k, training £0.4k, R&M £0.8k, grounds £0.3k, rates £0.2k
Closed Churchyards	7,608	4,370	3,237		3,237	Fav R&M

Parks and Open Spaces	330,723	560,326	-229,603	-229,603	-0	
	668,433	653,847	14,586	-53,539	68,125	
Housing Standards	99,790	91,749	8,042		8,042	Fav prof fees £6.4k, grants £3.1k, fees £3.8k; Adv sals £4.9k
Housing Strategy	102,327	53,612	48,716		48,716	Fav sals £40.9k, training £3.7k, prof fees £3k, mileage £0.7k
Administration of Renovation & Improvement Grants	61,466	52,067	9,399		9,399	Fav training £1.1k, computing £3.1k, architectural recharge £4.9k
Bed / Breakfast Accomodation	6,500	-6,480	12,980	12,980	0	
Pre-tenancy Services	239,321	89,028	150,293	150,293	0	
Other Housing Support Costs (GF)	35,569	16,025	19,544		19,544	Fav computing £14.5, income £6.5k; Adv sals £1.4k
	544,974	296,000	248,974	163,273	85,701	
	2,896,360	3,079,646	-183,286	-130,276	-53,010	

FINANCE & MANAGEMENT - FINAL OUTTURN 2022/2023

	Budget £	Actual £	Variance £	Accounting Adjustments £	General Fund £	
Business Change	111,582	80,142	31,440		31,440	Fav sals £29.6k, training £4.2k, comp maint £5k; Adv HRA recharge £7.3k
Digital Services	180,623	213,804	-33,181	-54,062	20,881	Fav sals £23.3k, printing £2.1k, insurance £0.3k, training £1.1k, adverts £1k; Adv prof fees £4.9k, HRA recharges £2.5k

Caretaking	156,303	136,281	20,022		20,022	Fav sals £16.4k, service chare £10.7k; Adv agency £3.1k, adverts £1.2k, mileage £2.2k, uniforms £0.5k
Senior Management	471,253	514,495	-43,242		-43,242	Fav sals £60.3k, TPP £2.2k, HRA recharges £12.1k; Adv agency £5.6k, recruitment fees £112k
Financial Services	422,423	361,914	60,510		60,510	Fav sals £22.8k, prof fees £55k, comp maint £6.5k, insurance £0.6k, printing £0.8k, periodicals £1.9k, subs £1k, training £9.3k; Adv agency £0.4k, recruitment £16.1k, HRA recharge £21.1k
Internal Audit	113,373	115,267	-1,895		-1,895	Fav HRA rech £0.9k, Adv prof fees £2.8k
Merchant Banking Services	68,075	71,403	-3,329		-3,329	Fav HRA rech £1.3k, Adv bank charges £4.6k
ICT Support	778,097	752,121	25,976	25,976	0	
Legal Services	283,535	240,856	42,679	40,000	2,679	Fav fees
Performance & Policy	39,817	38,901	917		917	Fav training
Personnel/HR	396,375	402,795	-6,420		-6,420	Fav sals £20.7k, Insurance, £2.7k, Training £5.4k, HRA rech £11.5k; Adv medical fees £10.4k, prof fees £6.6k, com maint £29.8k
Communications	84,496	73,284	11,212		11,212	Fav sals £4.7k, training £1.1k, prof fees £5.7k, tools £0.9k, subs £0.9k; Adv HRA rech £2.5k
Customer Services	536,993	573,008	-36,015	-18,104	-17,911	Fav sals £12k, Stationery £1.3k, comp main £18.3k, HRA rech £11.4k; Adv agency £37.7k, recruitment £3.1k, postages £20.3k
Health & Safety	60,252	51,837	8,415		8,415	Fav sals £4.6k, equipment £4k, training £0.8k, comp maint £0.4k; Adv HRA rech £1.3k
Admin Offices & Depot	673,282	780,342	-107,060	-107,060	-0	
Protective Clothing	29,809	36,965	-7,156		-7,156	Adv protective clothing
Procurement	12,349	12,138	211		211	
	4,418,636	4,455,553	-36,917	-113,250	76,333	

Democratic Representation & Management	91,850	78,538	13,312		13,312	Fav sals £27.1, refreshments £1.2k, subs £1k, training £1k; Adv prof fees £2.5k, agency 12.9k, HRA rech £1.7k
Corporate Management	65,951	62,724	3,227		3,227	Fav subs £3.2k

Corporate Finance Management	37,969	14,977	22,992	13,374	9,618	Fav grants £20.5k; Adv ins £1.4k, prof fees £4.9k, HRA rech £4.8k
Elected Members	373,625	366,723	6,902		6,902	Fav training £3.7k, tools £2k, adverts £2.3k, room hire £1.5k, mileage £2.4k, HRA rech £3k, Ins £0.3k; Adv allow £8.3k
	569,395	522,962	46,433	13,374	33,059	

Registration of Electors	44,271	32,518	11,753		11,753	Fav wages £10k, publications £1.6k
Conducting Elections	187,742	138,150	49,591		49,591	Fav sals £37.6k, tools R&M £4.3k, elections running costs £21.4k; adv agency £6.8k, general election £6.3k
	232,013	170,668	61,344	0	61,344	

Funded Pension Schemes	280,298	148,062	132,236	132,236	0	
Increase/Decrease in Provision for Bad or Doubtful Debts (GF)	175,000	-18,344	193,344		193,344	
Planning Agreements	0	-994,738	994,738	994,738	-0	
Parish Councils	434,765	428,712	6,054		6,054	Fav grants £6k
Interest & Investment Income (GF)	-136,229	-750,464	614,235		614,235	
IAS19 Pensions Adjustment (GF)	0	2,671,511	-2,671,511	-2,671,511	0	
External Interest Payable (GF)	500	2,043	-1,543		-1,543	Adv int £1.5k
	754,334	1,486,782	-732,447	-1,544,537	812,090	

Estate Management	-238,225	-72,784	-165,440	-165,440	-0	
	-238,225	-72,784	-165,440	-165,440	-0	

Council Tax Collection	144,212	-29,515	173,728	20,254	153,474	Fav sals £9.4k, disc benefits £10k, new burdens £80.7k, court fees £44.2k, training £3.7k, prof fees £3.1k, advertising £1.5k
Non Domestic Rates Collection	-87,500	-93,184	5,684		5,684	Fav court fees
Revenues & Benefits Support & Management	357,680	371,101	-13,421	-9,995	-3,426	Fav sals £27.6k, T&T grant £6.6k; Adv comp main £28k, prof fees £8.6k, training £1.1k
Rent Allowances Paid	37,005	-15,916	52,921	-41,347	94,268	Fav overpayments £129k; Adv allowances £34.5k
Net cost of Rent Rebates Paid	80,882	144,526	-63,644		-63,644	Adv rebates £63.6k
Corporate Fraud	48,150	49,609	-1,459		-1,459	Adv prof fees £1.5k

Housing Benefits Administration	173,803	80,619	93,183	28,207	64,976	Fav pay £17.4k, benefits processing £2.5k, support grants £79.5k; Adv prof fees £19.7k, agency £12.7k, court fees £2k
Concessionary Fares	-9,600	-11,423	1,823		1,823	Fav fees

744,632	495,817	248,815	-2,881	251,696
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6,480,785	7,058,998	-578,213	-1,812,734	1,234,522
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COVID-19 Emergency Fund	0	-0	0		0	
	0	-0	0	0	0	

6,480,785	7,058,998	-578,213	-1,812,734	1,234,522
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Taxation & non specific grant income (GF)	-13,791,424	-16,266,944	1,509,823	-271,117	1,780,940	See funding
Contingent Sums (GF)	-1,021,758	0	431,747		431,747	See contingent sums breakdown
Management and Administration - Chairmans Account	0	0	0		0	
Other Operating Income & Expenditure (GF)	43,627	1,427,640	0	-397,449	397,449	

-14,769,555	-14,839,305	1,941,570	-668,566	2,610,136
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APPENDIX 2

2022/23 movement

Earmarked Reserve	Balance B/fwd March 2022	Drawdown	Capital	MTFP	Res Adjust	Income	Closing Balance March 2023
Schools Sport Partnership Project	-388,703	0	0			-59,692	-448,395
Local Plan - Consultation and Implementation	-216,193					-40,000	-256,193
Environmental Education	-17,139	17,139				0	0
ICT Reserves	-615,577	54,062	18,301	-160,000		-35,542	-738,756
Fixed Asset Replacement fund	-1,062,374		587,567	-270,000			-744,807
Homelessness Prevention	-418,800	0	0			-163,273	-582,073
Building Control Transition	-13,709					0	-13,709
Rosliston Forestry Centre Café	-57,202					-13,374	-70,576
Rosliston Capital Reserve	-217,444					0	-217,444
New Town Centre Grant - Non-Heritage	-43,717		38,036			-33,981	-39,662
District Conservation Works	-10,000					0	-10,000
TIC Transfer Provision	-52,445	50,909				0	-1,536
Planning staffing and support costs	-372,560	308,000		-200,000		0	-264,560
EU Exit Funding	-52,452					0	-52,452
Pensions reserve	-225,006					-132,236	-357,242
Corporate Training	-76,185						-76,185
Welfare Reform, Fraud & Compliance	-406,936	48,009				-48,461	-407,388
District Growth	-856,628			-160,000			-1,016,628
Recycling Service Provision	-500,000					-175,000	-675,000
HRA Asset Replacement	-154,722			-45,000			-199,722
Public Buildings Maintenance	-199,112	83,665				-40,967	-156,414
Planning 20% fee increase	-148,798						-148,798
Software upgrades to GIS/LLPG	-9,000						-9,000
Cultural Services Public Open Spaces	-270,433	158,682				-192,909	-304,660
Operational Services Public Open Spaces	-154,740	40,149				-109,433	-224,024
HRA ICT Mobile Working	-291,521	57,580					-233,941
Parks Improvement Fund	-16,071						-16,071
Finance staffing and resource costs	-90,000						-90,000

S106 Planning Policy Fee	-13,100					-6,500	-19,600
Council Tax Support Scheme - Hardship Fund	-51,587	46,587				-24,118	-29,118
Biodiversity Enhancements - Swadlincote - Woodville regeneration route	-157,638	14,867					-142,770
Flooding - Community Recovery Fund	-84,301						-84,301
Economic Regeneration Fund	-894,957		78,325			-9,555	-826,187
Cultural Services Restructure Provision	-13,993	10,810					-3,183
New Burdens - COVID-19 Support	-480,300					-43,660	-523,960
Local Authority Support COVID-19	-180,867	118,896					-61,971
NNDR Relief Overpayment Provision	-1,143,009	760,971					-382,038
Land Charges Software Support	-70,000					-45,000	-115,000
Asset Replacement and Renewal Fund	-372,316			-87,000			-459,316
Business Change and Transformation	-52,000						-52,000
Shop Fronts Contribution	-15,507						-15,507
Pressure Washer for Shelter Maintenance	-10,000						-10,000
Covid - Income Fee Charges	-92,803						-92,803
Discretionary Housing Top Up	-40,000	40,000.00					0
Section 31 Compensation	-1,672,065						-1,672,065
Risk Management Fund	-12,000						-12,000
Urban County Park	0				-468,855		-468,855
Discretionary Housing Payments	0	41,347.00				-56,587	-15,240
DHP Rent Arrears Top up	0					-30,000	-30,000
HRA Voids	0			-133,000			-133,000
Earmarked Reserves	-12,293,909	1,851,673	722,229	-1,055,000	-468,855	-1,260,288	-12,504,149
	0						
Section 106 - Earmarked Funds	-14,295,999	2,744,666.75	690,114.04		468,855.00	-4,438,018	-14,830,381
Total Earmarked/Specific Reserves	-26,589,907	4,596,340	1,412,343	-1,055,000	0	-5,698,306	-27,334,531

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 08
DATE OF MEETING:	20 JULY 2023	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON 01283 595901 Charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2020-21/July/outturn
SUBJECT:	FINAL CAPITAL OUTTURN 2022- 23	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM08

1.0 Recommendations

- 1.1 To approve the final Capital outturn position for both the General Fund and Housing Revenue Account (HRA) for 2022/23.
- 1.2 To approve the final balance on Capital Reserves for 2022/23.

2.0 Purpose of the Report

- 2.1 To detail the final outturn position for 2022/23 on the Council's capital accounts.
- 2.2 This report is divided into the following sections:
 - Section 3 – General Fund and HRA Capital 2022/23
 - Section 4 – Capital Reserves

3.0 Detail

- 3.1 The Council's capital programme consists of many different projects covering both the General Fund and HRA.
- 3.2 General Fund projects are developed in line with strategies reported to policy committees and are funded through Section 106 developer contributions, General Fund contributions, grant income and capital receipts generated from asset sales.
- 3.3 HRA projects are mainly for refurbishment of council houses, disabled adaptations to council housing and new build and are funded by HRA reserves plus grant income.
- 3.4 The capital budget for 2022/23 was approved in February 2022 and was updated in July 2022 following the outturn for 2021/22, to reflect the carry forward of income and expenditure for incomplete projects.

- 3.5 Additional budgets have also been included for schemes relating to environmental and energy efficiency works following successful bids for funding during the year, together with property acquisitions in the HRA.
- 3.6 Outturn for the year on capital projects and the total financing of all the projects is summarised in the following tables. A detailed list of the projects is attached in **Appendix 1**.

	Actual £	Budget £	Variance £
Council House Improvements	2,456,166	2,620,000	163,834
Council House New Build and Acquisition	0	280,000	280,000
Private Sector Housing	1,052,350	1,555,269	502,919
Community Services	1,234,663	2,975,003	1,740,340
Environmental Services	383,538	420,000	36,462
Property, Plant and Equipment	1,342,792	687,465	-655,327
TOTAL EXPENDITURE	6,469,509	8,537,737	2,068,228

	Actual £	Budget £	Variance £
External Grant and Contributions	2,224,831	1,887,269	-337,562
Capital Resources	630,422	2,117,354	1,486,932
S106 Contributions	690,114	1,038,440	348,326
General and Earmarked Reserves	2,924,142	3,494,674	570,532
TOTAL FUNDING	6,469,509	8,537,737	2,068,228

HRA Capital

- 3.7 HRA projects mainly consist of refurbishment of council housing, new build and acquisition of council dwellings, disabled adaptations for council house tenants and vehicle replacements.
- 3.7 The budget for new build and acquisition schemes was for the acquisitions in Newhall due to delays the scheme completed in April 2023. No expenditure has yet been incurred, but the budget has been carried forward into 2023/24.

General Fund Capital

Private Sector Housing Works

- 3.8 The list of projects, which are mainly financed through the Derbyshire County Council's Better Care Fund, are detailed in Appendix 1. These schemes were approved by the Housing and Community Services Committee.

Leisure and Community Schemes

- 3.9 Most projects were approved as part of the last Capital Bidding Round in October 2020. Many projects were delayed and were also subject to the securing of external funding and procurement processes.

- 3.10 Effectively, there are two major projects that account for most of the allocated resources, i.e., the Urban Park at Cadley Hill and the community/football pitch facilities at Oversetts Road.
- 3.11 The Urban Park scheme was almost complete at the end of the year and hosted a grand opening in April 2023. The procurement process for Oversetts Road is complete with Turner & Townsend Contractors appointed as project managers. The Community Partnership Scheme funds specific projects, a portion of the funding has been allocated during 2022/23 with residual funding being carried over. The remaining funding can be down from the Council by community groups.
- 3.12 Unspent budgets will be carried forward into 2022/24.

Environmental Projects

- 3.13 The main project relates to the Green Homes Grant. Following the securing of Government funding in 2022/23, good progress has been made on delivery. The project is being monitored by the Environmental and Development Services Committee in conjunction with the Climate Change Action Plan.

Vehicle Replacements

- 3.14 The vehicle replacements within the year, were the procurement of 2 hydrogen refuse freighters, 1 older refuse vehicle for spares and a new Gully Cleaner. The freighters were brought as a part of an environmental trail. They will be not in full operation until the hydrogen conversion kits are fitted in early 2023/24.

Regeneration Works and Asset Upgrades

- 3.15 The main project relates to the approved improvements in Swadlincote Town Centre. During 2022/23 the Delph has been resurfaced, the shop fronts have been refurbished and work has commenced on the demolition of Bank House and Sabins yard. Work to create a car park and a pocket park. The refurbishment works at Melbourne Assembly rooms has completed in year.
- 3.16 It is anticipated that all remaining works will be completed in 2022/23 on all projects and funding will be carried forward to meet expenditure.

4.0 Capital Reserves

- 4.1 The capital reserve balances for the General Fund and HRA as at the 31 March 2023, after financing expenditure in 2022/23, are listed below.

	£
New Build and Acquisition Reserve	£3,534,460
Major Repairs Reserve	£4,986,832
Debt Repayment Reserve	£5,693,000
HRA Capital Reserves	£14,214,292
General Capital Receipts Reserve	£2,281,797
Total Capital Reserves	£16,496,089

HRA Capital Reserves

- 4.2 The New Build and Acquisition Reserve is topped up by all retained receipts of sales of Council houses under Right to Buy.
- 4.3 Right to Buy (RTB) sales totalled 8 in 2022/23, which generated £539,318 in retained receipts and are included in the above balance. properties previously sold under RTB. In addition to the right to by monies the relaxation of a covenant in the year provided a receipt of £10,000.
- 4.4 Details of sales are summarised in the following table.

	Sales	Gross Receipts
	£	£
Quarter 1	1.00	£65,900
Quarter 2	4.00	£296,708
Quarter 3	3.00	£226,710
Quarter 4	0.00	£0
Total	8.00	£589,318
Less Pooled		£0
Retained		£589,318
%		100

- 4.5 Any underspends on the HRA capital programme are transferred to the Major Repairs Reserve at year-end and the balance is utilised in future years as the new schedule for capital works is implemented.
- 4.6 Currently the HRA has debt of £47.4m to be repaid to the Public Works Loan Board at specific dates over a 20-year period. £10 million was repaid in March 2022 and financed from the Debt Repayment reserve. The profile of future debt repayment is shown in the following table.

Date due	£
28-Mar-24	10,000,000
28-Mar-27	10,000,000
28-Mar-32	10,000,000
28-Mar-37	10,000,000
28-Mar-42	7,423,000
	<u>47,423,000</u>

- 4.7 Sums are being set-aside each year for the scheduled repayments which are included in the HRA MTFP and are transferred to the Debt Repayment Reserve each year.

General Fund Capital Reserves

- 4.8 The Capital Receipts Reserve is made up of asset sales in recent years and there are many projects to be funded from the balance.

4.9 A sum of £195,612 was received during 2022/23 as part of the collaboration agreement for the sale of land at Oversetts Road. A negotiation regarding an Bridge option accounts for the additional £8,000 receipt.

4.10 The position on this Reserve is detailed below.

	£ 2022/23	£ 2023/24	£ 2024/25	£ 2025/26	£ 2026/27	£ 2027/28
General Capital Receipts B/fwd	2,707,657	2,281,797	604,415	519,415	-80,585	-80,585
Receipts in Year:						
Bridge Option Notice	8,000					
Land at Oversetts Road	195,612					
Vehicle Disposals	950	0.00	0.00	0.00	0.00	0.00
Specific Projects:						
Strategic Housing Market Assessment	0	0	-25,000	0	0	0
Private Sector Stock Condition Survey	0	0	-60,000	0	0	0
Empty Property Grants	0	-38,000	0	0	0	0
Vehicle Replacements	0	0	0	-600,000	0	0
Repairs to Village Hall	0	-6,700	0	0	0	0
Urban Country Park	-154,635	-110,000	0	0	0	0
Melbourne Assembly Rooms	-132,991	0	0	0	0	0
Midway Community Centre Extension	-111,367	0	0	0	0	0
Rosliston	-89,350	0	0	0	0	0
Miners Memorial	-52,948	0	0	0	0	0
Improvements to Play Areas	-27,156	0	0	0	0	0
Improvements to Swadlincote Woodlands	-24,614	0	0	0	0	0
Eureka Bowling Green	-12,935	0	0	0	0	0
Extension to Marston on Dove Cemetery	-9,040	0	0	0	0	0
Oversetts Road Football Facility	-1,465	0	0	0	0	0
Fly Tipping	-13,921	0	0	0	0	0
SuDS Improvements		-5,550				
Capital Bids approved October 2020	0	-1,517,132		0	0	0
Total Capital Receipts Reserve Balance	2,281,797	604,415	519,415	-80,585	-80,585	-80,585

4.11 The Strategic Market Housing Assessment and Private Sector Stock Condition Survey are both scheduled to recur every five years.

4.12 Planned vehicle replacements may need to be drawn from capital receipts in 2025/26 as there is currently a shortfall in funding. This is under review and the planned scheduled replacements are due to be reported to Environmental and Development Services Committee and this Committee later in 2022/23.

4.12 This potentially leaves a shortfall on capital receipts by 2025/26. However, it is anticipated that further receipts from land sales will be generated in the meantime, but these are not guaranteed.

Section 106 Contributions

4.13 Section 106 contributions are a large element of funding for the Council's capital programme and future planned works. The list of contributions within the Council's control are detailed in **Appendix 2** with commentary regarding committed projects

and the time frame to spend. In summary, the total balance of S106 held by the Council is included in the table below.

	£
Affordable Housing	6,996,941
Community	3,343,172
Property	39,933
Other	89,768
	10,469,815

4.0 Financial Implications

4.1 Detailed in the report.

5.0 Corporate Implications

5.1 None directly.

6.0 Community Impact

6.1 None directly.

CAPITAL EXPENDITURE 2022/23

	Actual £	Budget £	Variance £
Disabled Facility Grants and other Works	412,526	450,000	37,474
Discretionary Top-up Grants for under 18's	0	25,000	25,000
Healthy Homes Project	50,676	50,000	-676
Dedicated Mental Health Worker	43,696	50,000	6,304
Additional Technical Officer	37,864	40,000	2,136
Empty Property Grants	0	38,000	38,000
Relocation Grant	0	100,000	100,000
Domestic Violence Crisis Prevention	69,583	70,000	417
Hospital Discharge Grant	34,165	45,000	10,835
Healthy Homes Assistance Fund	194,705	200,000	5,295
Pilot Schemes	58,798	58,798	0
Handy Person Plus Project	28,063	28,000	-63
Stay Active and Independent for Longer	41,465	75,471	34,006
Temporary Health and Housing Co-ordinator	0	45,000	45,000
Temporary Public Health Officer	42,655	45,000	2,345
Temporary Trusted Assessor Post	0	55,000	55,000
Fuel Poverty	0	50,000	50,000
Careline Digital Equipment	4,830	90,000	85,170
Foundations Consultancy Project	7,000	40,000	33,000
Property Flood Resilience Recovery Support Scheme	26,324	0	-26,324
Private Sector Housing	1,052,350	1,555,269	502,919
Community Partnership Scheme	95,858	239,853	143,995
Urban Park William Nadin Way	858,437	691,619	-166,818
Revitalising Rosliston Forestry Centre	88,376	376,372	287,996
Oversetts Road Football Facility	1,465	1,188,159	1,186,694
SuDS Improvements	5,550	58,000	52,450
Paradise Garden	0	30,000	30,000
Miners Memorial Project	52,948	169,000	116,052
Improvements to Swadlincote Woodlands	26,089	30,000	3,911
Eureka Park Bowling Green Improvements	12,935	40,000	27,065
Improvements to Play Areas	79,000	152,000	73,000
Drainage Works at Rosliston Pitches	9,720	0	-9,720
Newhall Park Improvements	4,285	0	-4,285
Community Services	1,234,663	2,975,003	1,740,340
Fly Tipping & Surveillance	13,921	0	-13,921
Carbon Reduction	0	50,000	50,000
Green Homes Grant - Local Authority Delivery	369,617	370,000	383
Environmental Services	383,538	420,000	36,462
Vehicle Replacements	639,834	0	-639,834
Asset Replacement and Investment	0	87,000	87,000
Repairs to Village Halls and Community Facilities	55,878	2,375	-53,503
IT Strategy	18,301	160,000	141,699
Repairs to Melbourne Assembly Rooms	132,991	131,725	-1,266
Purchase Of Chamber Building	0	0	0
Town Centre Regeneration	158,997	258,365	99,368
Delph Resurfacing	160,869	0	-160,869
Shop Frontages	55,516	0	-55,516
Extension to Marston on Dove Cemetery	9,040	48,000	38,960

Midway Community Centre Extension	111,367	0	-111,367
Property, Plant and Equipment	1,342,793	687,465	-655,328
GENERAL FUND CAPITAL	4,013,344	5,637,737	1,624,393

Acquisitions - Newhall	0	280,000	280,000
Major Improvements under Self-financing	1,643,158	2,320,000	676,842
Major Disabled Adaptations	314,729	300,000	-14,729
Social Housing Decarbonisation Fund	498,279	0	-498,279
HRA CAPITAL	2,456,166	2,900,000	443,834

APPENDIX 2

		Cultural Services	Affordable Housing	Property	SDDC Unspecified	Spend Deadline	
		£	£	£	£		
2006/1453	Swadlincote	365	0	0	0	N/A	
2007/0873	Swadlincote	852	0	0	0	N/A	
2010/0320	Aston	932	0	0	0	N/A	£932 remaining - £19.7k claimed by Aston PC towards outdoor gym equipment in Aug-21.
2011/0292	Willington and Findern	41,007	0	0	0	N/A	Towards Twyford Pavilion - £5.8k paid to Willington Parish for tennis courts in Dec-21
2011/0952	Newhall and Stanton	15,708	0	0	0	05/05/2022	Included within the "Improvements to play areas" project at Newhall Park - SDDC currently retrieving quotes
2012/0568	Aston	351,130	0	0	0	£267,431 - 28/02/2024 £272,119 - 02/02/2026	180k to Derby City for Chellaston Community Centre (now paid out) - 87k is in discussion with Swarkestone / Elvaston Cricket Club
2012/0586	Woodville	11,918	0	0	0	N/A	Towards the provision of Open Space
2012/0743	Church Gresley	0		39,933	0	£135,922 - 20/11/2022 £156,778 - 30/08/2024	£212k towards Urban Park Project, £77.9k Green Bank
2012/0743	Church Gresley		152,773		0	N/A	Towards Cadley Hill affordable housing
2012/0861	Woodville	22,134	0	0	0	N/A	Towards the provision of open space - Including within the "Improvements to play areas" project
2013/0643	Repton	0	497,917	0	0	22/12/2026	Towards Provision, improvement, maintenance or management of affordable housing within the Repton Ward
2013/0818	Swadlincote	10	0	0	0	20/03/2024	Towards purchasing and maintaining off-site open space - Urban Park project
2013/1044	Hilton	70,723	0	0	0	£55,425 - 21/06/2023 £158,677 - 30/06/2026	Hilton PC taking lead - £55k towards Scout Hut
2014/0232	Aston	7,419	0	0	0	06/04/2024	Towards the provision of local outdoor recreational facilities - Weston & Aston PC have project for RIA
2014/0300	Swadlincote	25,858	0	0	0	22/10/2024	Towards renovation of multi-use games area at Maurice Lea Memorial Park

2014/0431	Seales	5,315	0	0	0	30/06/2022	Towards Salts Meadow and Swadlincote Woodlands Glade Creation in March 2022.
2014/0562	Etwall	63,789	0	0	0	£60,386 - 06/11/2024 £63,790 - 21/10/2026	Towards increasing the capacity of Etwall Leisure Centre - £60k to be claimed by JPS for tennis courts/MUGA - spend approved at JMC
2014/0740	Woodville	566,268				31/01/2027	£81K Outdoor sports, £45k Built facilities
2014/0888	Newhall and Stanton	710,210	0	0	0	15/03/2025	Towards Oversetts Road Football Facility
2014/0948	Linton	187,415	0	0	0	04/12/2025	Towards outdoor Recreational facilities & improvement of off-site open space at Rosliston Forestry Centre
2014/1141	Melbourne	15,326	0	0	0	£7,644 - 01/11/2028 £7,682 - 08/02/2029	Towards Kings Newton Bowls Club
2015/0029	Seales	19,423	0	0	0	£12,904 - 25/03/2026 £13,464 - 01/10/2026	Towards the changeroom at Overseal Rec
2015/0396	Newhall and Stanton	13,815	0	0	0	04/09/2024	Towards Oversetts Road Football Facility
2015/0518	Overseal	2,568				N/A	To pay the River Mease Contribution to the Council prior to Occupation of any Dwelling;
2015/0534	Woodville	-1	0	0	0	03/01/2023	Towards open space - Woodville PC taking lead
2015/0561	Woodville	20,401	0	0	0	12/12/2024	£16.9k towards Main Street Rec, £3.5k towards Goseley Community Centre
2015/0563	Woodville	8,335	0	0	0	07/02/2024	Towards provision of outdoor sports facilities, open space and build facilities - currently in talks with Hartshorne PC
2015/0723	Linton	71,655	0	0	0	14/08/2024	Towards enhancements to RFC visitor centre, RFC play equipment and sports pitches at Strawberry Lane
2015/0768	Etwall	249,984		0	0	£98,440 - 14/02/2023 £47,686 - 28/09/2025 £94,511 - 27/07/2026	£188k towards Newhouse Farm Community Centre £52k (now paid) towards group exercise and swimming provision at Etwall LC.
2015/0768	Etwall		1,071,180	0	0	09/08/2024	Towards housing within the Derby fringe
2015/0768	Etwall		1,071,180	0	0	20/10/2025	Towards housing within the Derby fringe
2015/0768	Etwall		1,103,640	0	0	27/07/2026	Towards housing within the Derby fringe
2015/0976	Woodville	3,783	0	0	0	29/11/2023	Woodville Parish looking to spend at Woodville Recreation Ground
2015/1108	Hatton	210,515	0	0	0	22/10/2026	Towards the enhancement of Scropton Road Recreation Ground

2016/0094	Midway	23,421	0	0	0	19/10/2025	Towards Eureka Park, Miner's memorial and Swadlincote Town Hall improvements
2016/0162	Hilton	85,185				N/A	Built facilities, Outdoor Sports, Open Space
2016/0288	Swadlincote	26,000	0	0	0	24/06/2026	Towards improving play or sports facilities at Swadlincote Woodlands
2016/0329	Woodville	28,960	0	0	0	02/07/2025	£5.5k towards improvements of the pavilion at Woodville Rec, £14k towards grass pitches at Woodville Rec, £9.3k towards Footpath connections at Woodville Woodlands - Including within the "Improvements to play areas" project
2016/0583	Aston	15,733	0	0	0	20/02/2024	Towards local areas of play - Derby City taking lead on spend
2016/0870	Aston	9,660	0	0	0	£4,775 - 26/06/2024 £4,885 - 21/11/2024	Towards provision of outdoor sports facilities at Aston recreation Ground - Aston PC claimed £5.3k in Oct-21 towards disabled access at Aston recreation centre
2016/0898	Aston	7,443	0	0	0	05/07/2023	Towards permitting public access to social and community facilities - Weston & Aston PC have project for RIA
2016/1118	Repton	34,767	0	0	0	£17,277 - 02/03/2026 £17,490 - 13/07/2026	£12.4k Towards extension of Repton Village Hall, £22.3k towards improvements to Broomfields Playing Fields
2017/0194	Repton	44,338	0	0	0	15/06/2026	£7.5k towards Repton Village Hall, £36.7k towards improvements & recreational facilities at Broomfields Playing Fields
2017/0349	Etwall	44,894		0	0	28/09/2025	£75k Potentially towards a sporting hub - discussions ongoing, £370.6k towards travel plan.
2017/0349	Etwall		1,580,131	0		05/01/2027	Affordable housing within the administrative area of the Council (North West fringe)
2017/0416	Church Gresley	24,979	0	0	0	N/A	£12k towards play equipment at Maurice Lea Memorial Park, £7k towards Woodhouse Recreation Ground, £4k towards Greenbank Leisure Centre
2017/0667	Newhall and Stanton	42,247		0	0	£42,246 - 02/02/2026 £76,182 - 02/02/2028	£76k Towards Urban Park project, £42k towards works to swimming pool at Green Bank
2017/0667	Newhall and Stanton		62,360	0	0	16/11/2025	Towards the provision of affordable housing on the Swadlincote South fringe

2017/0667	Newhall and Stanton		124,803	0	0	02/02/2026	Towards the provision of affordable housing on the Swadlincote South fringe
2017/0667	Newhall and Stanton		64,187	0	0	31/08/2026	Towards the provision of affordable housing on the Swadlincote South fringe
2017/0819	Seales	885	0	0	0	28/02/2023	Towards improving existing changing rooms at Overseal Recreation Ground. Currently speaking with Overseal PC
2017/0922	Deep Dale Lane	118,610	1,064,953			N/A	Community Facilities, Outdoor Sports, Affordable Housing Contributions
2017/1293	Hilton	66,339	203,817	0	0	04/10/2024	Towards the provision of native hedgerow planting as mitigation for the loss of hedgerow to be caused as a result of the Development
2018/0114	Swadlincote	15,835				N/A	Build, Open Space, Outdoor Sports Contribution
2018/0265	Linton	4,882	0	0	0	04/02/2027	Built facilities
2018/0377	Woodville	14,099	0	0	0	16/03/2026	£3.4k towards Goseley Community Centre, £10.6k towards Improvements to Swadlincote Woodlands. £6.2k paid to Hartshorne Cricket Club in Nov-21
2019/1183	Swadlincote	0	0	0	14,208	N/A	Towards the CCG and improvements at Swadlincote Surgery
2019/1205	Hilton	7,776	0	0	0	N/A	Towards enhancing and managing biodiversity
2019/1427	Newhall and Stanton	0	0	0	0	10/06/2026	Towards enhancements to the Urban Park
2020/1434	S106 Dove Valley Park	5,075	0	0	0	N/A	Towards Travel plan
2021/1686	Tetron Point, William Nadin Way	25,187	0	0	75,560	11/10/2027	Towards Drainage Contribution
TOTAL AVAILABLE		3,343,172	6,996,941	39,933	89,768	10,469,814	

REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)	AGENDA ITEM: 9
DATE OF MEETING:	20 JULY 2023	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	DEMOCRATIC SERVICES 01283 59 5722/5889	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That the Committee considers and approves the updated work programme.

2.0 Purpose of Report

2.1 The Committee is asked to consider the updated work programme.

3.0 Detail

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Finance and Management Committee
Work Programme for the Municipal Year 2023/24**

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
Corporate Plan 2020-24: Performance Report (2022-2023 Quarter 4 – (1 April to 31 March))	08 June 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Consultation of Customer Access Strategy 2023-2026	08 June 2023	Catherine Grimley Head of Customer Services (07979149583)
Treasury Management Annual Report	20 July 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Final Revenue Budget Out-turn 22-23	20 July 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Final Capital Out-turn 22-23	20 July 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Corporate Plan 2020-24: Performance Report (2023-2024 Quarter 1 – (1 April to 30 June))	24 August 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Q1 Quarterly Budget Monitoring Report	24 August 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk

Q1 Treasury Management Report	24 August 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Budget Setting Approach 2024/25	05 October 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Climate and Environmental Action Plan Review	05 October 2023	Matt Holford (Head of Environmental Services) Matt.holford@southderbyshire.gov.uk
Electric Recharge Infrastructure	05 October 2023	Matt Holford (Head of Environmental Services) Matt.holford@southderbyshire.gov.uk
Q2 Quarterly Budget Monitoring Report	23 November 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Q2 Treasury Management Report	23 November 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Draft Consolidation Budget 2024-25	23 November 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Corporate Plan 2020-24: Performance Report (2023-2024 Quarter 2 – (1 July to 30 September))	23 November 2023	Clare Booth Corporate Performance & Policy Officer (01283) 595788

Environmental Services Commercialisation Plan Review	23 November 2023	Matt Holford (Head of Environmental Services) Matt.holford@southderbyshire.gov.uk
Draft 2024-25 General Fund Revenue Budget	11 January 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Draft 2024-25 HRA Budget	11 January 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Draft Capital Programmes 2024-25 to 2028-29	11 January 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
TM Strategy & Prudential Indicators	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Capital Strategy	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Final 2024-25 General fund Revenue Budget	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Final 2024-25 HRA Budget	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk

Final Capital Programmes 2024-25 to 2028-29	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Council Tax Setting	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Annual Report of the Section 151 Officer	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Medium Term Financial Strategy	15 February 2023	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Q3 Quarterly Budget Monitoring Report	14 March 2024	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Q3 Treasury Management Report	14 March 2024	Charlotte Jackson Head of Finance Charlotte.jackson@southderbyshire.gov.uk
Proposed Policy for Paying Market Supplements	TBC	Fiona Pittam (Head of Organisational Development & Performance) Fiona.pittam@southderbyshire.gov.uk